GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:95
ANSWERED ON:27.07.2001
IMPACT OF GLOBALISATION
AKHILESH YADAV

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the government are aware that due to globalisation and OGL policy of the Government, many Indian industries including small-scale industries have been closed down or are on the verge of closure, leaving hundreds of labourers, traders and farmers jobless in various parts of the country;

(b) if so, whether this policy has compelled the small farmers, labourers and traders to commit suicide in various parts of the country particularly in Coimbatore district of Tamil Nadu as reported in the `Rashtriya Sahara` of May 2, 2001;

(c) if so, whether the Government have taken several effective step to compensate/ rehabilitate these small farmers, labourers and traders;

(d) if so, the details thereof; and

(e) the further action proposed to be taken to save the small farmers, traders and labourers from the adverse effect of globalisation?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. 95, FOR ANS ON 27.7.2001, REGARDING IMPACT OF GLOBALISATION:

(a) to (e) : Import restrictions are being continuously removed since 1991, as part of economic liberalization programme. However, the removal of restrictions has not altered the overall rate of growth of imports. The growth rate of imports was 15.3% in 1993-94, 23.1% in 1994-95, 36.4% in 1995-96, 13.2% in 1996-97, 11% in 1997-98, 14.2% in 1998-99, 13.6% in 1999-2000 and 0.27% in 2000-2001. The import growth during first two months of this financial year is 3.74%. If non-oil imports are taken into consideration the picture of imports is further reassuring. Such non-oil imports, have infact, registered a negative growth rate of 14.66% during 2000-2001.

Even at the micro level the growth in imports has not been of alarming nature. The import data for 714 items, QRs on which were removed on 31.03.2000, for the year 2000-2001, indicates a growth in import of these items by less than 3%. Similarly, the import of 300 sensitive items, which is being monitored by a Standing Group of Secretaries, indicates a decline of 11% during the first two months of this financial year.

As can be seen from above, the fears of domestic market being swamped by imports have not come true. There is nothing to indicate that any suicide is attributable to removal of quantitative restrictions on imports.

However, the imports are being constantly monitored and the Government is absolutely determined to ensure through appropriate use of tariff and other available mechanisms that imports do not cause any serious detriment or injury to the domestic producers.